

ORIGINAL

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17 Attorneys for Defendant
18 SAIA MOTOR FREIGHT LINE, LLC

19 **UNITED STATES DISTRICT COURT**
20 **SOUTHERN DISTRICT OF CALIFORNIA**

21 **PEDRO MORALES, II, individually and**
22 **on behalf of All Current and Former**
23 **Employees of SAIA, INC.,**

24 Plaintiff,

25 v.

26 SAIA, INC., and DOES 1 through 10,
27 inclusive,

28 Defendants.

Case No.: '08 CV 0829 H LSP

CLASS ACTION

**DECLARATION OF WALTER F.
SCHUMACHER IN SUPPORT OF
SAIA MOTOR FREIGHT LINE,
LLC'S NOTICE OF REMOVAL**

[Filed concurrently with Saia Motor
Freight Line, LLC's Notice of Removal
Under 28 U.S.C. §§ 1332(d) and 1441(a)
(Diversity of Citizenship)]

FILED

2008 MAY 21 PM 1:30

U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

BY KNH DEPUTY

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DECLARATION OF WALTER F. SCHUMACHER
IN SUPPORT OF REMOVAL

66

BRYAN CAVE LLP
120 BROADWAY, SUITE 300
SANTA MONICA, CALIFORNIA 90401-2368

1 I, Walter F. Schumacher, declare as follows:

2 1. I am Director of Human Resources – West for Saia Motor Freight Line,
3 LLC (“Saia”). I make this declaration based on my personal knowledge and
4 information derived from Saia’s company records.

5 2. I hold a master’s degree in industrial and labor relations from the
6 University of Wisconsin, Milwaukee, and have over 20 years of human resources
7 and labor relations experience. As Director of Human Resources – West, I am
8 responsible for eight western regions of the Company, which includes California.
9 I have access to corporate records pertaining to employee and operational data
10 related to the regions for which I am responsible. In the regular course of my job
11 duties, I am called upon to analyze and interpret employee and operational data.
12 I also regularly visit the terminals in my region and am familiar with terminal
13 operations.

14 3. Saia Motor Freight Line, LLC is a limited liability company which was
15 organized under the laws of the State of Louisiana. Saia Motor Freight Line, LLC’s
16 principal place of business is in Duluth, Georgia. The sole member of Saia Motor
17 Freight Line, LLC is Saia Transportation, Inc.

18 4. Saia Transportation, Inc. is a corporation which was incorporated under
19 the laws of the State of Delaware. Saia Transportation, Inc.’s principal place of
20 business is in Duluth, Georgia.

21 5. Saia, Inc. is a corporation which was incorporated under the laws of the
22 State of Delaware. Saia, Inc. is a public corporation and is the parent and sole
23 stockholder of Saia Transportation, Inc. Saia, Inc.’s principal place of business is
24 Duluth, Georgia. I am not an employee of Saia, Inc., and none of the employees
25 working in California terminals are employees of Saia, Inc.

26 6. Saia is a common carrier, United States Department of Transportation
27 Number 29124, operating in approximately 34 states with approximately 145
28 terminals. Saia specializes in regional and inter-regional services. Saia is a

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1 less-than-truckload (LTL) carrier. As an LTL carrier, Saia consolidates freight from
2 multiple shippers into a single truckload. Saia operates tractors with a vehicle
3 weight rating well over 10,000 pounds. The tractors pull trailers which vary in
4 length from 28 feet, 48 feet and 53 feet.

5 7. Saia has two separate categories of drivers: city drivers and linehaul
6 drivers. City drivers typically pick up and deliver freight to multiple customers in a
7 specific geographic area throughout the day and start and end the work day at the
8 same terminal. Although it varies among terminals, a city driver on average will
9 pick up or deliver approximately 21 bills (freight shipments) per day. Linehaul
10 drivers typically drive loaded trailers between terminals. Linehaul drivers may
11 travel between terminals in California and/or between California terminals and
12 terminals outside of California.

13 8. On or about April 21, 2008, a purported class action in the Superior
14 Court of the State of California, County of San Diego, Central Division, entitled
15 PEDRO MORALES, II, individually, and on behalf of All Current and Former
16 Employees of SAIA, INC. v. SAIA, INC., and DOES 1 through 10, inclusive, Case
17 No. 37-2008-00080522-CU-OE-CTL, filed on or about March 24, 2008, and
18 amended on or about April 15, 2008 ("Action") was served on Saia Motor Freight
19 Line, LLC. Following service, I directed that information be compiled from
20 electronic human resources records regarding the number of employees who have
21 been employed by Saia in hourly paid positions in California between March 24,
22 2004, to March 24, 2008, the number of workweeks worked by those employees,
23 and the average rate of pay for those employees. The electronic data that was used
24 to compile this information is entered and stored on Saia's computer systems in the
25 ordinary course and scope of Saia's business.

26 9. Saia pays its hourly employees on a weekly basis with the payroll
27 period running from Thursday to Wednesday.

28 10. Saia presently has 14 California terminals located throughout the state.

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1 The terminals vary in size and staffing. Within California, Saia employs on an
2 hourly basis employees as city drivers, full and part-time dockworkers, mechanics,
3 maintenance and clerical workers. Additionally, Saia employs California linehaul
4 drivers that are paid by a combination of miles driven and hourly pay for certain
5 non-driving time.

6 11. According to my review of Saia's records, Pedro Morales ("Morales")
7 was employed exclusively as a dockworker at the San Diego terminal. In early
8 2001, Saia took over the operations of WestEx. Morales began his employment at
9 WestEx in approximately March of 1997 and became a Saia employee in early
10 2001. Morales' employment with Saia ended in March, 2007. Presently, the
11 San Diego terminal employs approximately 39 employees as city drivers,
12 dockworkers, clerical workers, and linehaul drivers.

13 12. As I understand it, in the Action, Morales purports to represent himself
14 and "all current and former hourly employees who worked for [Saia]" during the
15 period going back to March 24, 2004.

16 13. Based on Saia's electronic records, there are approximately 1,299
17 employees who have been employed on an hourly basis as full and part-time
18 dockworkers, city drivers, mechanics and clerical workers in California between
19 March 24, 2004, to March 24, 2008. These employees worked a total of
20 approximately 92,341 workweeks during this time period at the average hourly rate
21 of \$17.89. Of this total, approximately 647 or 49.89% were employed as full or
22 part-time dockworkers. In addition to the approximately 1299 straight hourly
23 employees, another approximately 261 employees were employed as linehaul
24 drivers. Linehaul drivers are paid a combination of \$.5242 per mile driven and an
25 hourly rate for certain non-driving hours. Presently, California linehaul drivers
26 average approximately 400 miles per day with average daily rate for miles driven of
27 approximately \$210.00.

28 14. Based on Defendants' electronic records, approximately 437 California

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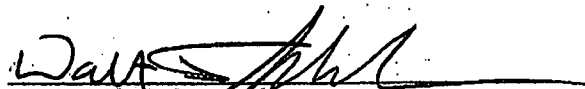
1 hourly employees worked at least 41 payroll periods between March 24, 2007, to
2 March 24, 2008. Taking Plaintiff's allegations as true, the maximum penalty they
3 could recover under Labor Code Section 226(e) is \$4,000 each for a total of
4 \$1,748,000 (1 payroll period x \$50 + 40 payroll periods x \$100 = \$4,050). An
5 additional 404 California hourly employees worked 5,093 payroll periods during
6 this time period. Taking Plaintiff's allegations as true, they could recover a total of
7 \$489,100 (404 first payroll periods x \$50 = \$20,200; plus 4,689 subsequent payroll
8 periods x \$100 = \$468,900). As such, taking Plaintiff's allegations as true, the
9 maximum penalty under Labor Code Section 226(e) for the one-year period ending
10 March 24, 2008 is \$2,237,100.

11 15. Based on Defendants' electronic records, approximately 792 California
12 hourly employees (excluding linehaul drivers) were terminated between March 24,
13 2004, to March 24, 2008. The average hourly rate at the time of termination was
14 \$16.71 per hour. Of the 792 terminated employees, approximately 457 were
15 dockworkers at an average hourly rate of \$15.34. Part-time dock workers are
16 scheduled to work approximately 30 to 35 hours per week, or 6 to 7 hours per day,
17 not including overtime. Full-time hourly employees, including full-time dockworkers,
18 and excluding linehaul drivers, are scheduled to work approximately 40 hours per
19 week and 8 hours per day. Additionally, over the four-year period, approximately
20 112 linehaul drivers were terminated. The present average miles only daily rate is
21 \$210.00.

1 16. Morales' Complaint states at paragraph 11 that, at all relevant times,
2 "[he] was employed by Defendant in San Diego County." A review of personnel
3 records regarding Morales indicates that during his employment with Saia, his home
4 address was in California.

5 I declare under penalty of perjury under the laws of the State of California
6 and the United States of America that the foregoing is true and correct.

7 Executed this 21st day of May, 2008, at Fontana, California:
8
9


Walter F. Schumacher

BRYAN CAVE LLP
120 BROADWAY, SUITE 300
SANTA MONICA, CALIFORNIA 90401-2386

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PROOF OF SERVICE

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is Bryan Cave LLP, 120 Broadway, Suite 300, Santa Monica, California 90401.

On May 20, 2008, I served the foregoing document, described as **DECLARATION OF WALTER F. SCHUMACHER IN SUPPORT OF DEFENDANT SAIA MOTOR FREIGHT LINE, LLC'S NOTICE OF REMOVAL**, on each interested party in this action, as follows:

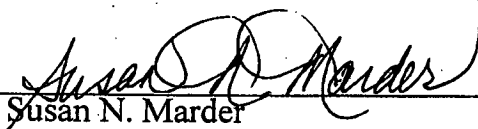
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 GRACE HOLLIS LOWE HANSON &
 SCHAEFFER LLP
 3555 Fifth Avenue
 San Diego, California 92103
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☒ (BY MAIL) I placed a true copy (or original) of the foregoing document in a sealed envelope addressed to each interested party as set forth above. I placed each such envelope, with postage thereon fully prepaid, for collection and mailing at Bryan Cave LLP, Santa Monica, California. I am readily familiar with Bryan Cave LLP's practice for collection and processing of correspondence for mailing with the United States Postal Service. Under that practice, the correspondence would be deposited in the United States Postal Service on that same day in the ordinary course of business.

Executed on May 20, 2008, at Santa Monica, California.

☒ (FEDERAL ONLY) I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

I declare under penalty of perjury under the laws of the United States of America and the State of California that the foregoing is true and correct.


 Susan N. Marder